

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**MARCH 23, 1999**

**IN RE:**

**JOINT APPLICATION FOR TRANSFER OF AUTHORITY  
AND TENNESSEE ASSETS FROM SPEER VIRTUAL  
MEDIA, INC. TO SPEER COMMUNICATIONS  
VIRTUAL MEDIA, INC.**

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**DOCKET NO  
99-00057**

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**ORDER APPROVING TRANSFER OF AUTHORITY**

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This matter came before the Tennessee Regulatory Authority ("Authority") on the Joint Application ("Application") of Speer Virtual Media, Ltd. ("SVM") and Speer Communications Virtual Media, Inc. ("SCVM") (together, the "Applicants"), requesting that the Authority approve the transfer of SVM's Tennessee assets and Certificate of Public Convenience and Necessity ("CCN") to SCVM pursuant to Tenn. Code Ann. § 65-4-113.<sup>1</sup> The Directors of the Authority considered this matter at a regularly scheduled Authority Conference held on February 16, 1999.

From the Application and the record existing in this matter, the Authority has determined the following:

1. SVM is a limited partnership duly organized and existing under the laws of the State of Nevada. SVM has offices located at 3201 Dickerson Pike, Nashville, Tennessee 37207. SVM provides interstate interexchange service and is authorized to provide resold intrastate

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<sup>1</sup> The Application was filed on January 29, 1999, and was captioned as follows: "*Joint Application for Transfer of Authority and Tennessee assets from Speer Virtual Media, Ltd. to Speer Communications Virtual Media, Inc. and notification of Transfer of Control Speer Communications Virtual Media, Inc. to Precision Systems, Inc.*" The Authority acted on the request for the transfer of the assets and the CCN, however, no action was requested or

interexchange services in all fifty (50) states. On July 9, 1997, the Authority granted SVM authority to operate in Tennessee in Docket No. 97-00956.

2. SCVM is a corporation duly organized and existing under the laws of the State of Delaware. SCVM is a wholly-owned subsidiary of SVM and also has its offices located at 3201 Dickerson Pike, Nashville, Tennessee 37207. At the time of the filing of the Application, SCVM is authorized to resell intrastate interexchange telecommunications services in twelve (12) states, but not in Tennessee.

3. The Applicants' proposed transfer is part of a reorganization of the Speer family of companies. After the proposed transfer of SVM's Tennessee assets and CCN to SCVM, SVM will cease to provide resold intrastate telecommunications services in Tennessee.

4. According to the Application, upon approval of the transfer, SCVM will assume full responsibility for all of SVM's customers and services. SCVM's services, rates, and charges will mirror in their entirety those of SVM, making the proposed transaction virtually seamless to SVM's current retail customers. Further, the Application represents that all affected customers have been noticed regarding this transaction. Thus, the proposed transfer will have no adverse impact on SVM's Tennessee customers.

## **I. CRITERIA FOR APPROVING TRANSFER**

A transfer of authority to provide utility services cannot occur until the regulated public utility first obtains approval of such transfer by the Authority. The Directors of the Authority must approve the transfer pursuant to the requirements set forth under Tenn. Code Ann. § 65-4-113. This Section, in pertinent part, provides for the following:

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taken with regard to the notification of the transfer of control.

(a) **No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.**

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. The authority shall approve the transfer after consideration of all relevant factors and upon finding that such transfer furthers the public interest.

(c) **Following approval of the transfer pursuant to this section, the transferee shall be granted full authority to provide the transferred services subject to the continuing regulation of the authority. The transferor shall no longer have any authority to provide the transferred services, but shall retain authority to provide other services, if any are retained, which were not included in such transfer. (Emphasis supplied).**

## **II. FINDINGS OF FACT AND CONCLUSIONS OF LAW**

After consideration of the entire record in this matter, including the Application, the Directors find and conclude as follows:

1. That the Authority has jurisdiction over the subject matter of said Application pursuant to Tenn. Code Ann. § 65-4-113;
2. That the transfer will be accomplished by an internal restructuring of the Speer family of companies, which will permit SCVM to provide resold intrastate interexchange telecommunications services;
3. That SCVM will rely upon the same personnel and resources for technical, managerial and financial ability as relied on by SVM to provide the transferred services;

4. That since SCVM has access to the above-mentioned resources, it has the requisite resources to provide the services that had been provided by SVM; and

5. That based upon the foregoing, the transfer of SVM's Tennessee assets and CCN to SCVM is compatible with the public interest.

**IT IS THEREFORE ORDERED THAT:**

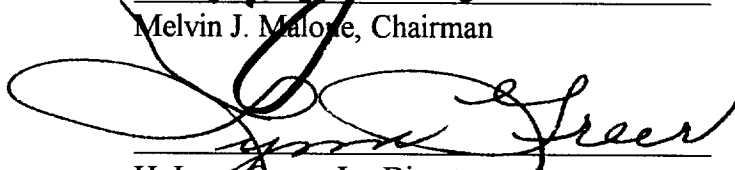
1. The Application requesting the transfer of Speer Virtual Media, Ltd.'s Tennessee assets and Certificate of Public Convenience and Necessity to Speer Communications Virtual Media, Inc. is approved.

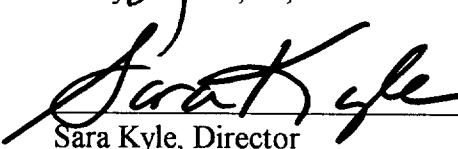
2. Speer Communications Virtual Media, Inc. is authorized to provide resold intrastate interexchange telecommunications services.

3. Speer Virtual Media, Ltd. is no longer permitted to provide resold intrastate interexchange telecommunications services in Tennessee.

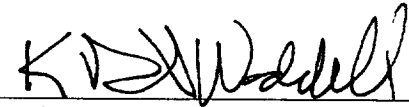
4. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order.

  
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Melvin J. Malone, Chairman

  
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H. Lynn Greer, Jr., Director

  
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Sara Kyle, Director

ATTEST:

  
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K. David Waddell, Executive Secretary